



General Assembly

January Session, 2007

Committee Bill No. 5496

LCO No. 5074

* ____HB05496INS__031507__ *

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT REGULATING LIMITED BENEFIT MEDICAL PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) Each individual health
2 insurance policy, subscriber contract or certificate of coverage
3 delivered or issued for delivery in this state on or after October 1, 2007,
4 that provides limited benefit coverage shall include the following
5 statement printed in capital letters in not less than twelve-point bold
6 face type and located in a conspicuous manner on such policy, contract
7 or certificate:

8 "THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE
9 COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR
10 LIMITED BENEFITS POLICY AND CONTAINS SPECIFIC DOLLAR
11 LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH
12 MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS
13 THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS
14 RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS."

15 (b) For the purposes of this section, "limited benefit coverage"
16 means an insurance policy that is designed, advertised and marketed

17 to supplement major medical insurance and that includes accident
18 only, dental only, vision only, disability income only, fixed or hospital
19 indemnity, specified disease insurance, credit insurance, Taft-Hartley
20 trusts or that covers more than a single disease or service but has an
21 aggregate limit less than one hundred thousand dollars or a per service
22 or per condition limit of less than twenty thousand dollars.

23 Sec. 2. (NEW) (*Effective July 1, 2007*) (a) No insurer, health care
24 center, hospital and medical service corporation or other entity
25 delivering, issuing for delivery, renewing, continuing or amending any
26 group health insurance policy in this state on or after October 1, 2007,
27 shall deliver or issue for delivery in this state any policy providing
28 limited benefit coverage to any employer that offered a comprehensive
29 health insurance plan to its employees during the preceding twelve
30 months.

31 (b) Each group health insurance policy, subscriber contract or
32 certificate of coverage delivered or issued for delivery in this state on
33 or after October 1, 2007, that provides limited benefit coverage shall
34 include the following statement printed in capital letters in not less
35 than twelve-point bold face type and located in a conspicuous manner
36 on such policy, contract or certificate:

37 "THIS LIMITED HEALTH BENEFITS PLAN DOES NOT PROVIDE
38 COMPREHENSIVE MEDICAL COVERAGE. IT IS A BASIC OR
39 LIMITED BENEFITS POLICY AND CONTAINS SPECIFIC DOLLAR
40 LIMITS THAT WILL BE PAID FOR MEDICAL SERVICES WHICH
41 MAY NOT BE EXCEEDED. IF THE COST OF SERVICES EXCEEDS
42 THOSE LIMITS, THE BENEFICIARY AND NOT THE INSURER IS
43 RESPONSIBLE FOR PAYMENT OF THE EXCESS AMOUNTS."

44 (c) For the purposes of this section, "limited benefit coverage" means
45 an insurance policy that is designed, advertised and marketed to
46 supplement major medical insurance and that includes accident only,
47 dental only, vision only, disability income only, fixed or hospital
48 indemnity, specified disease insurance, credit insurance, Taft-Hartley

49 trusts or that covers more than a single disease or service but has an
50 aggregate limit less than one hundred thousand dollars or a per service
51 or per condition limit of less than twenty thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>July 1, 2007</i>	New section

INS *Joint Favorable*